

SENATE BILL 668

By Bunch

AN ACT to amend Tennessee Code Annotated, Title 12
and Title 29, relative to eminent domain.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 12, Chapter 1, is amended by adding
the following new part 3:

§ 12-1-301.

As used in this part, unless the context otherwise requires:

(1)

(A) "Economic development" means any activity or endeavor to increase
tax revenue, expand a tax base, increase employment, or promote or stimulate
general economic health, when such activity or endeavor does not result in:

(i) The transfer of land to public ownership; or

(ii) The transfer of land to a private entity that is a common
carrier, such as a railroad or utility;

(B) Economic development does not include the lease of property to a
private entity that occupies less than ten percent (10%) of floor space of such
property;

(2) "Governmental entity" means the federal government or any federal agency,
the state of Tennessee or any political subdivision of the state of Tennessee including,
but not limited to, any municipality, utility district, school district, public building authority,
and development district created and existing pursuant to the constitution and laws of
Tennessee, or any instrumentality of government created by any one (1) or more
municipalities or by an act of the general assembly;

(3) "Municipality" means any county, metropolitan government, incorporated city or town in the state of Tennessee;

(4) "Private entity" means an individual, partnership, association, corporation, or any other organization or group of persons that is not a governmental entity;

(5) "Private property" means real property, or improvements to real property, not owned by a governmental entity; and

(6) "Public use" means the possession, occupation, and enjoyment of land by the general public, or by a governmental entity; the use of land for the creation or functioning of public utilities. A public benefit of economic development, including increase in tax revenue, expansion of a tax base, increase in employment, or promotion or stimulation of general economic health, shall not constitute a public use.

§ 12-1-302.

(a) A state or local governmental entity or any entity that has been granted the power of eminent domain shall not condemn private property that has been determined to be blighted and sell, lease or otherwise transfer such property to a private entity.

(b) The taking of private property determined to be blighted through eminent domain shall be for the sole purpose of repairing or demolishing such property. The costs of repairing or demolishing such property shall at a cost in conformity with reasonable standards and the cost thereof assessed against the owner of the property. The cost shall be a lien upon the property in favor of the county. These costs shall be placed upon the tax rolls of the county as a lien upon the property and shall be collected in the same manner as the county's taxes are collected, when the county causes a notice thereof to be filed in the office of the register of deeds of the county in which the property lies, second only to liens of the state, county and municipality for taxes, any lien of the county for special assessments and any valid lien, right or interest in such

property duly recorded or duly perfected by filing, prior to the filing of such notice. Such notice shall identify the owner of record of the real property, contain the property address, describe the property sufficiently to identify it and recite the amount of the obligation secured by the lien.

§ 12-1-303. Private property determined to be blighted and acquired by eminent domain by a state or local governmental entity or any entity that has been granted the power of eminent domain shall be redeemable at any time within two (2) years after condemnation of such property.

SECTION 3. This act shall take effect July 1, 2007, the public welfare requiring it.